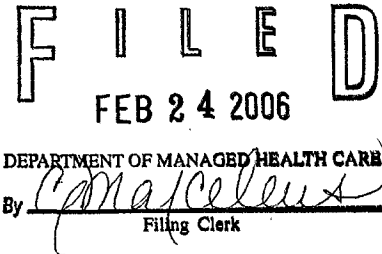


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3 CALIFORNIA DEPARTMENT OF  
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4 Office of Enforcement  
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6 Facsimile: (916) 323-0438

7 Attorneys for Complainant



8  
9 BEFORE THE DEPARTMENT OF MANAGED HEALTH CARE  
10 OF THE STATE OF CALIFORNIA

11 IN THE MATTER OF:

12 BLUE CROSS OF CALIFORNIA,

13 Respondent.

) DMHC No.: 06-114

) OAH No.:

) **ORDER OF POSTPONEMENT RE:  
CENTINELA FREEMAN HOSPITALS**

) (Health and Safety Code §§ 1367(d), 1367  
) (e), 1373.96, 1391)

17 **TO: Blue Cross of California**  
18 **21555 Oxnard Street**  
19 **Woodland Hills, CA 91367**

20 The Director of the Department of Managed Health Care, by and through her  
21 designee, Assistant Deputy Director Amy L. Dobberteen, after investigation, determines as  
22 follows:

23 **PARTIES**

24 1. The Director of the Department of Managed Health Care is vested with the  
25 responsibility to administer and enforce the Knox-Keene Health Care Service Plan Act of  
26 1975, Health and Safety Code section 1340 *et seq.* ("Knox-Keene Act").

27 2. Blue Cross of California ("Blue Cross") is a health care service plan licensed  
28 under the Knox-Keene Act, license number 933 0415, and is regulated by the Department of

1 Managed Health Care.

2 **STATUTORY AUTHORITY**

3 3. A health care service plan is required to establish that basic health care services  
4 are readily available and accessible to each of the plan's enrollees. (California Code of  
5 Regulations, title 28, § 1300.67.2.)

6 4. The Director is empowered to enforce compliance with this Act. (Health and  
7 Safety Code section 1391)

8 5. On or about November 1, 2005, Centinela Freeman Health System ("CFHS  
9 Hospitals") notified Blue Cross of its intent to terminate the Blue Cross/CFHS Contracts  
10 effective March 1, 2006.

11 6. On January 30, 2006 Blue Cross filed information with the Department  
12 outlining its proposed transition plan to ensure that basic health care services are readily  
13 available and accessible to the plan's enrollees.

14 7. On or about February 14, 2006, the Department requested additional  
15 documentation from Blue Cross.

16 8. On or about February 21, 2006, Blue Cross responded to the Department's  
17 request.

18 9. Due to recent receipt of this additional information, the Department does not  
19 have an adequate period of time to perform the necessary review and analysis to determine if  
20 the plan's transition proposal will maintain readily available and accessible health care  
21 services for the plan's enrollees.

22 **ORDER**

23 Based on the foregoing, the Director finds that additional time is necessary to review  
24 and analyze Blue Cross's transition plan.

25 **THEREFORE**, the Director, pursuant to Health and Safety Code section 1391,  
26 **ORDERS AS FOLLOWS:**

27 1. Blue Cross shall continue to authorize and allow its network of providers to  
28 authorize and admit Blue Cross enrollees to CFHS Hospitals pursuant to existing contracts

1 up to and including March 15, 2006 to allow the Department to obtain additional information  
2 and to evaluate the proposed alternate hospital service delivery network.

3 2. Up to and including March 15, 2006, each of CFHS Hospitals shall continue to be  
4 deemed a "Participating Hospital" (in-network hospital) for purposes of the provider's  
5 contract;

6 3. This Order shall be effective immediately and shall continue in full force until  
7 11:59 p.m. on March 15, 2006 or otherwise ordered by the Director.

8  
9 February 24, 2006

DEPARTMENT OF MANAGED HEALTH CARE

10  
11  
12  
13 By: 

14 AMY L. DOBBERTEEN  
15 Assistant Deputy Director  
16 Office of Enforcement  
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